Module: Introduction

Page: Introduction

0.1

Introduction
Please give a general description and introduction to your organization

The Commonwealth Bank of Australia (the Bank) is Australia's leading provider of integrated financial services including retail banking, premium banking, business banking, institutional banking, funds management, superannuation, insurance, investment and share broking products and services. The Commonwealth Bank brand is the most recognised brand in the Australian financial services industry. Other award-winning brands within the Group include our wealth management business Colonial First State, our online broking service CommSec and Bankwest. In terms of scale, the Group has a strong domestic presence with the largest customer base of any Australian bank and operates the largest financial services distribution network in the country with the most points of access. The Bank is one of the largest listed companies on the Australian Securities Exchange and is included in the Morgan Stanley Capital Global Index. The Bank's strategy is focussed on three key capabilities:
• Being world leading in the application of technology to financial services.
• Having a vibrant and customer-focused culture and people.
• Having a strong and flexible balance sheet.
These capabilities are deployed to create continued growth in Australia and to underpin growth outside Australia. The goal is to deliver continuing outperformance in total shareholder return through the outperformance of the Bank's return on equity and a stable dividend stream.
Fully owned subsidiaries of the Bank include:
• The Bank's asset management business, Colonial First State Global Asset Management, which provides asset management services to wholesale and institutional investors across a diverse range of domestic and global asset classes.
• The Bank's wealth management business, Colonial First State, one of Australia's leading wealth management groups, which provides investment, superannuation and retirement products to individuals as well as to corporate and superannuation fund investors.
• The Bank's insurance business, CommInsure, which provides general, life and travel insurance products.
• The Bank of Western Australia (Bankwest) an award winning bank that is strongly capitalised and funded while being fully regulated by the Australian Prudential Regulatory Authority (APRA). Bankwest is a market leader within Western Australia with approximately one quarter of all bank advances and deposits.
• The Bank's New Zealand business, Auckland Savings Bank (ASB) a fully owned subsidiary of the Commonwealth Bank of Australia. ASB has a history of more than 150 years of service to New Zealanders, and is one of the New Zealand's leading financial services companies.
It should be noted that the Commonwealth Property Office Fund (CPA) and the Retail Property Trust (CFX) managed under Colonial First State Global Asset Management, report separately under the 2012 Carbon Disclosure Project.
It should also be noted that the Kiwi Income Property Trust (KIP) managed under the Bank's New Zealand business, Auckland Savings Bank, report separately

under the 2012 Carbon Disclosure Project.
Sustainability and climate change strategy:
For the Bank, sustainability is an integral part of delivering our strategic priorities and creating long term value for our shareholders.
The Bank has a number of initiatives in place to:
• Build an organisational culture that supports customer service excellence,
• Provide a workplace that attracts and retains the best people
• Deliver cost-savings through eco-efficiency,
• Manage risks and identify new commercial opportunities associated with climate change and carbon trading,
• Create strong and lasting relationships with our community,
We take a considered, long-term view towards sustainability in everything that we do. We take responsibility for the impact and influence we have on our key stakeholders and the environment. Our activities and achievements are centred around five focus areas:
• Responsible Financial Services: We take a responsible approach to the provision of responsible products and services,
• Engaged and Talented People: We attract, foster and retain a diverse, engaged and talented workforce,
• Community Contribution and Action : We make impactful contributions to our communities through mutually beneficial partnerships,
• Environmental Stewardship: We are proactive in measuring and reducing our own environmental footprint and provide smart solutions to help our customers and employees reduce their own.
• Sustainable Business Practices: We embed sustainable business practices across our operations through strong governance, established management systems, responsible procurement and transparent reporting
The Bank believes climate change will have a major environmental, economic and social impact and that it presents both risks and opportunities for our business. As a financial intermediary we have a key role to play in addressing climate change. We are committed to measuring and reducing our own greenhouse gas emissions as well as engaging our customers, stakeholders, regulators and communities more broadly to improve the understanding and management of climate change issues.

0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.
We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.
Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Thu 01 Jul 2010 - Thu 30 Jun 2011

0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country
Australia
New Zealand

0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

AUD ($)

0.5

Please select if you wish to complete a shorter information request

0.6

Modules
As part of the Investor CDP information request, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors and companies in the oil and gas industry should complete supplementary questions in addition to the main questionnaire.
If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will be marked as default options to your information request. If you want to query your classification, please email respond@cdproject.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see https://www.cdproject.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Module: Management [Investor]

Page: 1. Governance

1.1

Where is the highest level of direct responsibility for climate change within your company?

Individual/Sub-set of the Board or other committee appointed by the Board

1.1a

Please identify the position of the individual or name of the committee with this responsibility

Chief Executive Officer - Ian Narev

1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
Environment/sustainability managers	Recognition (non-monetary)	Environmental/ Sustainability managers with the Commonwealth Bank are incentivised for communicating climate change related issues and delivering resolutions as a performance indicator.
All employees	Monetary reward	All employees of Colonial First State Global Asset Management (CFSGAM), the Bank's Wealth Management Business, are incentivised by performance indicators. The level of indicator varies between management levels, and involves risks related to climate change as it relates to the performance of the job description and individual performance.

Page: 2. Strategy

2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

2.1a

Please provide further details (see guidance)

There are separate and significantly different risk management processes regarding climate change covering the Bank's:
• financial services as provided to customers; and
• own property and assets.
The Bank acknowledges that it may have an indirect impact on the environment through the provision of financial services to customers in environmentally sensitive industries. To minimise this impact, the Bank's Credit Risk Policy requires that environmental risks be assessed at key stages in the lending process, through the use of environmental questionnaires, independent assessments as well as the customer's own environmental policies, processes and licensing requirements.
a) Scope of Process:
For the Bank's own property and assets, the scope covers 100 per cent of the operations within Australia.
For Colonial First State Global Asset Management (CFSGAM), the Bank's Wealth Management business, it systematically considers environmental, social and governance (ESG) issues that may impact their investments as outlined in their commitments to the United Nations Principles for Responsible Investment. The scope of the process identifies and assesses a broad range of risks and opportunities at a global level.
b) Company Level Assessment:
Company level Credit Risk policy; The Group's Risk Appetite Statement identifies risks which the Group is not tolerant of and which must be contained within defined boundaries. This includes activities presenting environmental risks that negatively impact on the Group's sustainable success.

Consistent with the overarching Group Risk Appetite Statement, to minimise the impact of climate change related issues e.g. environmental risks, the Group's Credit Risk policy requires the assessment of environmental risks faced by our clients. The policy requires assessment of environmental risks at credit approval and annual review in situations where a customer or collateral property is or has been used in an environmentally-sensitive industry. Compliance with this policy is subject to review by the Bank's internal audit process.

Credit policy and procedures for environmentally sensitive industries and activities for new and existing clients are in place in the Bank's Institutional Banking and Markets, Business and Private Banking and Bankwest divisions. They require environmental risk assessment at key stages in the lending process through the use of environmental questionnaires, independent assessments and confirmation that the customer has the necessary policies and procedures in place to appropriately address environmental risks.

In addition, the Bank's Wealth Management business systematically considers all environmental, social and governance (ESG) issues that have the potential to impact their investments as outlined in their commitments to the United Nations Principles for Responsible Investment (UNPRI).

The Group's Corporate Sustainability team is responsible for understanding the impact of climate change developments, designing an environmental strategy and liaising directly with business units to implement mitigation actions, while reporting on all legislated requirements as well as voluntary disclosure to the CDP, the Dow Jones Sustainability Index (DJSI) and an array of other domestic and global questionnaires/ surveys.

The Bank's Institutional Banking and Markets division uses a 'Risk Appetite Statement' (derived from the Group's Risk Appetite Statement) which includes Environmental Social and Governance (ESG) risk mitigation considerations. All transactions take into account and action the appropriate risks and opportunities associated with climate change.

For Colonial First State Global Asset Management (CFSGAM) - Company level risks are also assessed in the context of the Bank's Risk Appetite Statement. In addition, a Risk Manager sits on the CFSGAM UNPRI Steering Committee to oversee environmental, social, and governance related risks.

c) Asset level assessment:

The Bank's Corporate Services division is responsible for managing appropriate property locations, technologies and strategic plans to ensure the Bank's assets are resilient against physical risks and attuned to opportunities resulting from climate change, while implementing the required technologies to monitor, maintain and report on these assets.

For example, the Bank has addressed risks arising from regulatory changes by developing a portfolio assessment schedule. This schedule has assisted in conducting an 'energy efficiency opportunities assessment' process, a core requirement of the Australian Government's Energy Efficiency Opportunities (EEO) program.

By establishing this process the Bank has been able to identify energy efficiency initiatives to further mitigate the risks to its portfolios on a National scale.

For CFSGAM - The business is also captured under the EEO legislation and therefore conducts a separate 'energy efficiency opportunities assessment' process. CFSGAM's reporting obligations to government ultimately rest with the Bank in its capacity as Parent Company. Materiality of all assets is considered whenever its investment teams make an investment decision.

d) Frequency of Monitoring:

Monitoring frequency of the Bank's climate change risk and opportunities management procedures is a continual process. The Bank's Board meets every two months to address the risk management procedures relating to climate change as necessary. Risks and opportunities are assessed and reassessed for appropriateness, accuracy and currency, via a process of continual improvement.

Within the Bank's Wealth Management businesses monitoring is also continual and embedded within the day to day operations. In addition a Risk Manager sits on its PRI Steering Committee to oversee environmental, social, and governance (ESG) related risk. This Committee meets every two months.

e) Criteria for Materiality:

Materiality Priorities are considered via a documented risk framework process, those with the higher potential risk, are addressed in priority, so as to mitigate any material risk associated with climate change.

For CFSGAM: Materiality is determined by each investment team based upon their specific investment process.

f) Reported results:

The Bank's risk management procedures relating to climate change, spans across the entire business, are overseen by the Bank's Executive Committee and Board and impact all employees across the Bank. This encourages the understanding and management of climate change related risks and opportunities associated with the Bank’s operations. The Group's Sustainability Report which incorporates climate change related matters/ risks, is a public document which is proactively communicated to the Bank's investors, company shareholders, regulators and communities.

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes (see guidance)

a)Influencing Strategy:
The Bank’s strategy is underpinned by sustainable business practices and supported by the engagement of staff, stakeholders and clients. The Bank considers climate change and its related risks and opportunities (such as carbon pricing) at both the strategic and operational levels.
At the strategic level, the Bank’s Group Strategy team considers issues which will shape the direction of the Group over the medium to longer term. In the reporting period, Group Strategy together with other divisions (Institutional Banking and Markets as well as Business and Private Banking) presented a series of papers to the Bank’s Executive Committee and the Bank’s Board of Directors (which meets every two months) on climate change and related issues. At the operational level, the overarching mechanism for addressing climate change risks and opportunities is the Bank’s Environment Policy. The Group-wide policy sets out a framework for understanding and managing the Group’s environmental impacts, risks and opportunities and states that "we will engage our customers, stakeholders, the regulators and communities more broadly to encourage the understanding and management of climate change issues."
b)Climate Change/ strategy:
Within the Bank’s risk management approach, the Bank’s Credit Risk and Key-Operation manuals address the potential impacts relative to a carbon price on a client’s capacity to repay. The Bank adopts a continual process of assessing climate change aspects and implications that might influence the Bank’s strategy, as the Australian government’s Carbon Pricing Mechanism is being rolled out and becomes operational on 1 July 2012.
c)Short term:
e.g. Change in operational practices:
Each of the Bank’s divisions will separately assess and implement strategies relating to climate change related risks and opportunities appropriate to them. For example:
• Wealth Management, Colonial First State Global Asset Management's business strategy reflects its role as a portfolio manager and platform provider. Its strategy links into its partnering approach with asset managers and its ability to provide its investors access to a wide range of investment options and choices.
• Institutional Banking and Market’s Carbon Solution Group, have a range of carbon risk management and carbon financing solutions to assist its institutional customers.
• Retail Banking assessed and successfully trialled a number of environmental and renewable energy products and opportunities.
• Risk Management addressed the risk associated with the implementation of a carbon price through its Credit Risk policies.
e.g. Reduction targets:
• Corporate Sustainability has a core climate change strategy to reduce its own carbon emissions. In May 2009 the Bank announced a commitment to a domestic

carbon emissions reduction target of 20 per cent to be achieved by 2013 from a 2008-09 baseline. To date approximately 20,000 tonnes Co2-e have been reduced from the Bank's carbon footprint, putting the Bank well on track to meet its target in the set timeframe.
• Financial Services is implementing a portfolio of energy saving initiatives throughout its retail and commercial portfolios, to include energy, water and air-conditioning efficiency works. It is also utilising less carbon intensive vehicles and incorporating staff awareness programs. In addition, the construction of Commonwealth Bank Place, (the Bank's Six-Star Green Star (world leadership) targeted commercial premises) is nearing full staff occupation with 6000 staff.
d)Long term:
In order to address the risks and opportunities posed by regulatory aspects of climate change, the Bank has taken a proactive approach that involves regulatory compliance and public participation.
An important component of long term strategy is where the Bank directly engages with clients regarding climate change related activities as well as the Federal and State governments in relation to policy development and implementation. It does this through a number of business unit groups such as the Carbon Solutions, Corporate Sustainability, Government Relationship teams and Institutional Banking and Markets division, as well as through representation within industry bodies such as the Australian Bankers Association (ABA) and the Australian Financial Markets Association, as well as the United Nations Environmental Program for Financial Institutions (UNEPFI). The Bank is committed to adhering to long term best practice. The Bank will continue to contribute to emerging public policy on climate change via our participation in industry forums and through our own analysis and representations.
e)Strategic advantage:
A key advantage over competitors is the Bank's Carbon Solution Group which assists clients in managing their carbon risk and capture opportunities as they move to a low-carbon economy. The Group leverages the Bank's core capabilities around financing, trading and distribution as well as works with market-leading companies that have expertise across a wide range of energy-related sectors to deliver innovative and integrated solutions to the Bank's clients. Also, the Bank's Commodity's team actively trades a range of environmental products including Renewable Energy Certificates. In addition, the Bank has a Utilities, Energy and Renewables Group that provides project finance to large-scale renewable and clean energy projects. The Bank has been investing in this sector since 2004. To date, 69% of the Bank's exposure to the energy sector is dedicated to renewable and clean energy single assets in Australia, (Mega Watt (MW) capacity). While is New Zealand this same split represents 73%. The Bank also has a dedicated in-house engineering team that looks at environmental and social aspects for project financing solutions.
f)Business decision:
* The Bank's Group-wide Environment Policy is continuously reviewed to ensure it mitigates the effects of climate change. The Policy clearly states that we are committed to ensuring compliance with all relevant environmental legislation. In order to meet this commitment, the Bank remains abreast of regulatory obligations via many internal streams, such as our legal teams, dedicated Carbon Solutions group, Risk and Corporate Sustainability.
* The Bank's Institutional Banking and Markets (IB&M) division abides by its 'Risk Appetite Statement' which includes Environmental Social and Governance (ESG) risk mitigation considerations.
* The Bank wide introduction of the Bank's carbon reduction target is also a substantial business decision that was directly influenced by climate change.
* IB&M key sector specific responsible lending policies are currently being formulated within the Bank's IB&M division since the Bank's 2011 CDP submission. Policies include Oil & Gas, Metals & Mining, Energy & Utilities

2.2b

Please explain why not

2.3

Do you engage with policy makers to encourage further action on mitigation and/or adaptation?

Yes

2.3a

Please explain (i) the engagement process and (ii) actions you are advocating

Commonwealth Bank:
a) Method of engagement:
The Bank engages in policy discussions on environmental issues directly and through its industry representatives. Direct policy engagement is undertaken at both the departmental and Federal level of Government.
Nature of engagement:
The Bank engages with a range of industry representatives such as the Australian Bankers Association (ABA) and the Australian Financial Markets Association (AFMA), to encourage climate change mitigation and adaptation. The Bank is a member of AFMA's Carbon Market Committee which promotes members' interest in an effective carbon market. The Bank is also a member of the Carbon Market Institute and Sustainable Business Australia and participates in a number of forums and conferences that engage on climate change and carbon markets.
b) Topic of engagement:
The Bank has been an active participant in the public policy dialogue associated with the development of the Federal Government's legislative response to climate change, to encourage climate change mitigation and adaptation.
c) Actions you are advocating:
The Bank has been an active member of the United Nations Environment Program for Financial institutions (UNEPFI), since 2009. UNEPFI identifies & promotes the adoption of best environmental and sustainability practices at all levels of financial institutions operations to effectively mitigate the impact of environmental and social considerations on financial performance. The Bank supports the UNEPFI as it encourages and advocates action around mitigation, adaptation and prevention of pollution resulting from climate change.
The Bank also supports and has been an active member of the Global Compact since 2009, which advocates to advance two initiatives:
• Align businesses with its 10 principles in the area of human rights, labour, the environment and anti-corruption, and
• Garner support of broader UN goals.
Colonial First State Global Asset Management:
a) Method of engagement:
Colonial First State Global Asset Management (CFSGAM) engages directly with policy makers at a State and Federal level and through their representative bodies, the Investor Group on Climate Change (IGCC) and Financial Services Council. CFSGAM also increasingly engages in the global policy dialogue directly and through IGCC, while also engaging through industry bodies such as the Property Council of Australia (PCA), and the Green Building Council of Australia (GBCA).
Nature of engagement:
Participation in industry engagement through forums and input into industry response through these bodies, including direct dialogue with the regulators. The Bank's Head of Responsible Investment was also appointed to the Board of The National Climate Change Adaptation Research Facility - leading the research community in a national interdisciplinary effort to generate the information needed by decision-makers in government and in vulnerable sectors and communities to manage the risks of climate change impacts.
b) Topic of engagement:
The types of issues discussed are emissions trading schemes (legislation) and the supportive mechanisms government can take to increase the capital flows to

climate solutions. CFSGAM also engage on this type of legislation from a direct property point of view in order to assist both industry and government to ensure a practical approach to compliance with legislation.
c) Actions you are advocating:
CFSGAM advocates and supports the architecture of the Australian Clean Energy Finance Corporation (CEFC), perceived to have a major impact on mitigation and adaptation. As well as items that affect the Group's direct property/real estate business at industry level through industry bodies such as CEFC. These include mandatory legislative reporting, energy efficiency, and carbon disclosure.

Attachments

https://www.cdproject.net/Sites/2012/49/3649/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/2.Strategy/CFSGAM - Responsible Property Investment Report 2011.pdf

Page: 3. Targets and Initiatives

3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute target

3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
CBAAU	Scope 1+2	100%	20%	2009	172752	2013	The Bank’s target is well on track to being achieved. A number of projects have already been completed. The remaining projects are expected to be implemented by mid-late 2012. In the reporting period. The Bank achieved an overall reduction in emissions of 6,138 tonnes Co2-e, from the previous reporting period, assisting the Bank in its overall 20 per cent carbon reduction target. The

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
							Bank's target will be achieved by implementing a number of projects including: • Energy efficiency projects to commercial and retail portfolios, including but not limited to, lighting and Heating, Ventilation Air-conditioning and Cooling HVAC replacements and upgrades, • Utilising vehicles that are less carbon-intensive, • Continuing to increase the use of E10 and biodiesel fuels, • Continuing the rollout of the Bank's driver education programs, • Relocating employees from inefficient buildings to energy efficient properties, for example the move to Commonwealth Bank Place, the Bank's new commercial property, housing approximately 6,000 employees and boasting a 6-Star Green Star (signifying world leadership), and 5-Star NABERS (National Australian Built Environment Rating System) rating, and • Continuing the Bank's staff awareness and engagement programs.
CBANZ	Scope 1+2+3	100%	20%	2008	12133	2012	The Bank's New Zealand operations, Auckland Savings Bank (ASB) set an emissions reduction target of a 20 per cent reduction in carbon emissions based on 2008 levels by 2012. This target was exceeded in 2010. To ensure ASB continues to reduce its environmental impact, the emissions reduction target was increased to 25 per cent by December 2012 (using 2008 as the base year). This will be reflected in next year's Carbon Disclosure Project response. The target has been exceeded due to the implementation of a range of emission reduction activities as detailed below: • Save Watt Energy Program including: Lighting and air conditioning upgrades in offices and branches. • Online Energy Management Tool 'Energy Tracker': The new online tool visually tracks energy consumption and savings across ASB. Energy information is uploaded daily, and ASB employees can see how their office or branch is performing compared with other locations. Results to date show how energy use awareness has improved, with some teams reducing their energy use by as much as 30 per cent. • Automated overnight PC shutdown across ASB. • Design of ASB's new head office 'ASB North Wharf' incorporating energy efficient sustainable designs based on the principles of environmental neutrality, incorporating energy efficient lighting and air conditioning systems, rainwater recycling and building features to reduce heating and cooling demands. While 'ASB North Wharf' is likely to be at the forefront of sustainable buildings on an international scale when completed in 2013, it should be noted that all new buildings (including branches, regional centres and other facilities) developed for ASB also incorporate energy efficient solutions (double glazing, roof insulation, energy efficient LED lighting, etc). • Free Cooling (using outside air) of ASB's data centres. • Server Virtualisation. •

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
							Encouraging staff to use video and phone conferencing technology instead of air or vehicle travel. • A waste reduction and recycling program. • Reducing the amount of paper used internally and on behalf of customers.

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment

3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comments

3.1d

Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
CBAAU	50	6	The Bank has made good progress and is well on track to achieving its Carbon Emissions Reduction Target achieving a 6% reduction from its 2008-2009 baseline emissions in the reporting period. This is in the context of an absolute target rather than an intensity based target. It should be noted that, operations have grown both in terms of revenue and full time equivalent (FTE) employees and therefore emissions intensity has decreased. The 6% reduction can be attributed to the ongoing successful implementation of the Emission Reduction Program. In 2010-2011 the Bank continued rolling out its Refreshingly Green branch refit program, completing fit outs for energy and water efficiency improvements in 25 trial branches, with the remaining 755 due for completion in the next reporting period. CBA can expect to see even greater savings in future reporting periods and increased savings as more projects are implemented and the savings from implemented programs are realised. Three major projects include: • Commercial Building Consolidation (Sydney): The move of approx. 6,000 employees from less efficient office spaces into Commonwealth Bank Place (CBP) in Sydney's Central Business District (CBD) will deliver emissions savings of approx. 14,200 tonnes Co2-e per annum as the new buildings are energy and carbon efficient. The transition of employees commenced in June 2011 and completed in April 2012. • Green Refresh Lighting: This project replaces inefficient lighting in over 755 branches around Australia. At the end of February 2012, 700 branch audits were completed and upgrade works completed in 125 branches. Installation works are expected to be finalised by September 2012, with an emissions saving of around 12,000 tonnes Co2-e per annum. • Green Refresh Heating, Ventilation and Air Conditioning (HVAC): This project improves the energy efficiency of HVAC systems used by the Group in its retail and commercial buildings. The project also includes lighting, boiling water unit programming plus a component to remove from the Group's carbon account, the emissions produced by some of the Group's tenants and sub-tenants. Green Refresh HVAC is in early stages of implementation and is due for completion in December 2012. Once Green Refresh HVAC is finalised, it is expected to reduce carbon emissions by approximately 20,000 tonnes Co2-e per annum.
CBANZ	50	115	By the end of 2010 (NZ data is reported by calendar year), Auckland Savings Bank (ASB) exceeded its target of a 20 per cent reduction in carbon emissions based on 2008 levels, two years ahead of schedule. As stated in answer to question 3.1a above, it has increased its emissions reduction target to 25 per cent by December 2012 (using 2008 as the base year) which will be reflected in next year's Carbon Disclosure Project. In real terms, ASB company emissions have reduced by 2,795 tonnes of Co2-e or 23 per cent (as at the end of 2010) from 2008 with 1,122 tonnes CO2-e saved in the reporting period. The savings since the baseline year equate to 115% achievement of the emissions target. A focus on sustainability has contributed to ASB being named as the NZ Canstar Cannex Socially Responsible Bank of the Year 2011 (Sunday Star Times). Similar to last year, emissions savings can be attributed to emission reduction activities targeted at reducing electricity, vehicle fuel and air travel (the target and emission reduction initiatives include scope 3 emissions from fleet and air travel).

3.1e

Please explain (i) why not; and (ii) forecast how your emissions will change over the next five years

3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

3.2a

Please provide details (see guidance)

a) How the emissions were avoided:
The Bank has increased the use of on-line banking and electronic communications. Customers are able to view electronic Statements and other material on-line in lieu of receiving a traditional paper-based statement by post resulting in a reduction in emissions generated through third party travel via postal delivery.
b) Amount of emissions avoided over time in metric Tonnes Co2-e,
The initiative achieves emissions savings by eliminating postal delivery. It is estimated that 52 tonnes CO2-e per year are saved in Australia.
c) Methodology, assumptions, emission factors and global warming potentials:
Estimating assumptions included average postal delivery distances derived from Bank data and the fuel emissions per km by the delivery vehicle as supplied by Australia post.
Emission factors and Global warming potentials used:
• National Greenhouse Accounts (NGA) Factors,
• UNFCCC - Global warming potential (CO2 of 1 GWP)
d) Are you considering generating CERs or ERUs Re CDM or JI
No.

3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings (only for rows marked *)
Under investigation	5016	50651
To be implemented*	85	5280
Implementation commenced*	109	21586
Implemented*	205	11842
Not to be implemented	64	6736

3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Energy efficiency: building services	Nature of Activity: Under the Bank's Heating, Ventilation, Air-conditioning and Cooling (HVAC) Improvement Program, the Bank will be improving the energy efficient operation of HVAC systems under its operational control, in its retail and commercial portfolio. Scope: This is a scope 2 emissions reduction activity. Voluntary/Mandatory: This is a voluntary initiative. Stage of Development: The HVAC Improvement Program was planned during the previous reporting period, with implementation commencing over two years from 2011 to 2013. Anticipated annual savings of approximately 12,000 tonnes of CO2-e are expected after implementation is complete. Expected Lifetime of the Project: The project is anticipated to be completed by the end of 2012, providing ongoing annual savings of approximately 12,000 tonnes of CO2-e per annum. The complete lifetime of this project is until the end of the Target period in 2013.	12000	3000000	6000000	1-3 years
Energy efficiency: building services	Nature of Activity: Under the Bank's Lighting Improvement Program, the Bank will be improving the energy efficient operation of its lighting systems where it has operational control, in its retail and commercial portfolio. Scope: This is a scope 2 emissions reduction activity. Voluntary/Mandatory: This is a voluntary initiative. Stage of	20000	7400000	3800000	1-3 years

Activity type	Description of activity	Estimated annual CO2e savings	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
	Development: The Lighting Improvement Program was planned during the previous reporting period, with implementation commencing over two years from 2011 to 2013. Anticipated annual savings of approximately 20,000 tonnes of CO2-e are expected after implementation is complete. Expected Lifetime of the Project: The Bank's lighting project is anticipated to be completed by the end of 2012, providing ongoing annual savings of approximately 20,000 tonnes of CO2-e per annum. The complete lifetime of this project is until the end of the Target period in 2013.				

3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	The Bank established a carbon reduction target in 2009 to reduce carbon emissions by 20 per cent of its 2008-09 emissions levels. This target is to be achieved by June 2013. Dedicated resources, to include a budget, were put aside to achieve this target, which is well on track to being achieved. A number of projects have already been implemented and completed. The remaining projects are expected to be implemented by late 2012. The Bank engaged external energy and climate change experts to identify emission reduction activities to reduce its carbon emissions. The project involved identifying and evaluating several potential emission reduction activities, i.e. establishing a Marginal Abatement Cost Curve (MACC), where we evaluated options at all levels of the organisation such as individual projects, programs and policies. The Bank achieved an overall reduction in emissions of 6,138 tonnes Co2-e in the reporting period, assisting the Bank in its 20 per cent carbon reduction target. The Bank's target will be achieved by implementing a number of additional projects including: • Energy efficiency projects to commercial and retail portfolio's, including but not limited to, lighting and HVAC replacements and upgrades, • Utilising vehicles that are less carbon-intensive, • Continuing to increase the use of E10 and biodiesel fuels, • Continuing the rollout of the Bank's driver education programs, • Relocating employees from inefficient buildings to energy efficient properties, for example the move to Commonwealth Bank Place, the Bank's new commercial property, housing approximately 6,000 employees and boasting a 6-Star Green Star (signifying world leadership), and 5-Star NABERS rating, and • Continuing the Bank's staff awareness and engagement programs.

3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Attached are the emissions factors used and applied by the Commonwealth Bank of Australia.

Attachments

https://www.cdproject.net/Sites/2012/49/3649/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/3.TargetsandInitiatives/emissions factors applied.XLSX

Page: 4. Communication

4.1

Have you published information about your company's response to climate change and GHG emissions performance for this reporting year in other places than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section Reference	Identify the attachment
In annual reports (complete)	Page 58	Commonwealth Bank Annual Report 2011
In voluntary communications (complete)	Page 56	Sustainability Report 2011 (Annual Publication)
In other regulatory filings (complete)	Entire Report	Energy Efficiency Opportunities Report 2011 (Entire report discloses associated GHG emissions.

Further Information

Attachment 1: Commonwealth Bank Annual Report 2011.
Attachment 2: Commonwealth Bank Energy Efficiency Opportunities Report 2011 (annual submission).
Attachment 3: Commonwealth Bank Sustainability Report 2011 (annual publication).

Attachments

https://www.cdproject.net/Sites/2012/49/3649/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/4.Communication/2011_Commonwealth_Bank_Annual_Report.pdf
https://www.cdproject.net/Sites/2012/49/3649/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/4.Communication/Energy-Efficiency-Opportunities-Report-2011-Public-Report.pdf
https://www.cdproject.net/Sites/2012/49/3649/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/4.Communication/2011 Sustainability Report.pdf

Module: Risks and Opportunities [Investor]

Page: 2012-Investor-Risks&Opps-ClimateChangeRisks

5.1

Have you identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
CBA1	Emission reporting obligations	Non-compliance with the National Greenhouse and Energy Reporting (NGER) Scheme The Bank is captured under the NGER legislation, which is designed to establish a mandatory reporting system for corporate and facility level greenhouse gas emissions and energy production and consumption in Australia. The Bank exceeds the Corporation threshold as it produces more than 125,000 tonnes of CO2-e per annum (first initial reporting threshold) across its entire portfolio. The NGER legislation requires the Bank to report greenhouse gas emissions, energy production and energy consumption from the facilities under the operational control of the Bank (within Australia). The first reporting period began on 1 July 2008.	Increased operational cost	Current	Direct	Exceptionally unlikely	Low
CBA2	Emission reporting obligations	Non-compliance with Energy Efficiency Opportunities Act (EEOA). The Bank is subject to the EEOA. The EEOA commenced in July 2006, and participation is mandatory for corporations that use more than 0.5 petajoules (PJ) of energy per annum. These corporations are required to identify, evaluate and report publicly on cost effective energy savings opportunities. There is a risk of reputational damage and potential legal and punitive action against the Bank in the case of non-compliance.	Increased operational cost	Current	Direct	Exceptionally unlikely	Low
CBA3	Cap and trade schemes	The recently introduced Clean Energy legislation is the Australian Government's comprehensive plan to address climate change and begin the transition of the country towards a low-carbon economy. This is likely to be a significant economic and environmental reform with far reaching implications. This presents a number of risks and opportunities for corporate Australia and the Bank. A key component of the legislation is to put a price on carbon. The Carbon Pricing Mechanism will introduce an initial fixed carbon price for the first three years commencing on 1 July 2012, and moving to a floating carbon price from 1 July 2015. The introduction of a carbon price mechanism is likely to have a potential	Other: Possibility of decreased asset values and increased financial vulnerability for emissions-intensive clients	1-5 years	Indirect (Client)	Unlikely	Low

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		negative impact on the Bank's customers, particularly those customers that are emissions-intensive and could result in a decrease in clients asset values and increased financial vulnerability for those emissions-intensive clients.					
CBA4	Cap and trade schemes	The New Zealand Government implemented a cap and trade emissions trading scheme (NZ ETS) as at 1 July 2010. Currently the NZ ETS is only applicable to the Stationary Energy, Transport Fuel, Industrial Processes, Fishing and Forestry sectors. Further sectors will be included in the coming years. The scheme is currently in a transition phase, ending in December 2012.The New Zealand Government is currently undertaking a review of the NZ ETS scheme and will, among other things, consider whether the NZ ETS should continue to scale up to a full obligation and whether new sectors should incur surrender obligations on current legislated timetables. The Auckland Savings Bank (ASB) Bank in New Zealand is a subsidiary of the Commonwealth Bank. There will be an increasing number of ASB customers that will be impacted (either directly and/or indirectly) by the NZ ETS. There is a risk that as the transitional phase ends and the NZ ETS obligations scale up and broaden the financial impact on key emissions intensive customers will increase, possibly resulting in decreasing asset values and increasing financial vulnerability.	Other: Possibility of decreased asset values and increased financial vulnerability for emissions-intensive clients	1-5 years	Indirect (Client)	Unlikely	Low

5.1b

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

CBA1:
i) Potential financial implications of the risk before taking action:
With the introduction of the National Greenhouse and Energy Reporting (NGER) legislation there are potential civil and criminal penalties as well as financial penalties such as a $220,000 fine for the CEO of a company that does not comply plus daily penalties of up to $11,000 for continued non-compliance. This could affect the Bank’s business and its value chain directly by resulting in significant and unexpected financial penalties. There are also reputational risks associated with non-compliance and inaccurate disclosure.
ii) Methods to manage risk:
During this reporting period and to manage any risk, the Bank continued to update its energy and climate change data management systems, further improving the accuracy of its public disclosure with regards to emissions data and to comply with all legislative as well as voluntary emissions reporting. During this reporting period the Bank conducted a property listing audit (considered business as usual), confirming the accuracy of reportable emissions throughout its portfolio. The Bank engaged the services of KPMG (a leading global provider of audit, tax and advisory services) to audit the Group’s emissions applicable to NGERS data for robustness and accuracy.
iii) Costs associated with these actions:
The cost of third party expert energy and climate change consultancy firm Energetics, to compile robust and accurate emissions data for this reporting period was AU$55,000.
CBA2:
i) Potential financial implications of the risk before taking action:
The Bank is subject to the Energy Efficiency Opportunities Act (EEOA) as participation is mandatory for corporations that use more than 0.5 petajoules (PJ) of energy per year. Failure to meet the EEOA obligations will result in financial penalties of up to $110,000 for non-compliance. Non implementation of the identified energy efficiency opportunities would also result in the Bank paying unnecessary increased energy costs.
ii) Methods used to manage this risk:
The Bank continues to engage the external expertise of Energetics, an award winning energy and climate change advisory group as a method to understand and manage this risk. Although this is categorised as a risk, the Bank views emissions reporting obligations as an opportunity. By identifying energy efficiency opportunities, and implementing relevant initiatives to benefit from these opportunities, the Bank is standing to make financial and reputational gains. As an example of the process followed by the Bank's external advisory group, was to compile all associated Group entity emissions information into one Public report and one Government report. The Government report included; energy use by energy/ fuel type and conversion factors, energy use as an index relative to the Bank's trigger year (or unit of production or services, e.g. energy per square meter), outcomes of assessments made and business response and disclosure of opportunities under investigation, to be implemented, implementation commenced, implemented, and not to be implemented.
iii) Costs associated with these actions:
External consultancy for the reporting purposes is approximately AU$19,000.
CBA3:
i) Potential financial implications of the risk before taking action:
Many of the Bank’s suppliers and customers (current and potential) are concerned about the uncertainty surrounding the Government’s carbon price mechanism. The Bank’s value chain faces increasing costs, particularly in emissions-intensive sectors, and there is significant potential for large-scale restructuring of the Australian economy, which will inevitably cause some of our business customers to change, restructure and even downsize.
If the Government’s transitional assistance is insufficient to mitigate the impact of a carbon price over the short to medium term, a carbon price may potentially impact emissions-intensive clients that the Bank has funding exposure to. The risks faced by the Bank include the possibility of decreased asset values and financial vulnerability for emissions-intensive clients. The Bank’s Carbon Solutions Group has engaged in client visits that cover a wide range of emissions-intensive industries with a total emissions profile of over 250 million tonnes of Co2-e (over 70 per cent of Australia’s covered emissions) with a view to collaboratively assess the scale of the possible impact on each individual client and advise on ways to mitigate it.

ii) Methods used to manage this risk:
To mitigate the Bank’s exposure to this risk, the Bank has undertaken high-level assessments of the possible impacts on key emission-sectors. The Bank will

continue to assess implications as more details of the Government's carbon price mechanism becomes known. The Bank also has policies and procedures associated with environmental risks and continues to revise and update these to reflect emerging Government policy, legislation and regulations. An example of this is the Bank's Credit Risk and Key-Ops manuals, which addresses the potential impacts from carbon pricing on a client's capacity to repay. The Bank will continue to assess implications as the economy adjusts to a carbon price. In addition, the Bank will work closely with its clients to assist them in the management of their risk exposure. The Bank's dedicated Carbon Solutions Group was formed to understand the implications of carbon exposure including any risk resulting from a carbon price and has developed a comprehensive range of innovative risk management and financing solutions to help its institutional clients manage their risks and finance opportunities across the carbon and renewable energy markets.

iii) Costs associated with these actions:
No cost, these actions are considered business as usual.

CBA4:
i) Potential financial implications of the risk/opportunity before taking action:
There is a risk that as the transitional phase ends and the NZ ETS obligations scale up, the financial impact on key emissions intensive customers will increase, possibly resulting in decreasing asset values and increasing financial vulnerability.
ii) Methods you are using to manage this risk/opportunity:
The ASB established a working group to assess implications of the NZ ETS and will continue to assess implications as the details of the Government's review process become known. The Bank also has policies and procedures associated with environmental risks and will continue to revise and update these to reflect emerging Government policy, legislation and regulations.
iii) Costs associated with these actions:
No cost, these actions are considered business as usual.

5.1c

Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
CBA5	Change in precipitation extremes and droughts	The Bank has a large physical presence across Australian cities and towns through its commercial office portfolio, data centres and retail branch network. The Bank's property base of more than 1100 retail branches and extensive commercial portfolio is exposed to climate change risks that arise in each location, with the risks and magnitude of impacts varying within each geographical region. The 2010-11 floods in New South Wales and Queensland Australia are an example of the impacts that extreme weather events can have. Some of the Banks' staff,	Increased operational cost	Current	Direct	More likely than not	Low

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		property and operations were impacted by the floods.					
CBA6	Uncertainty of physical risks	Frequency and severity of weather related events and natural disasters. (Insurance)	Increased operational cost	Current	Direct	Likely	Medium-high

5.1d

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

CBA5:
i) Potential financial implications of the risk before taking action:
An increased frequency of extreme weather events may result in financial implications for the Bank's assets and property and may also disrupt the Bank's and key supplier operations. These risks have the potential to devalue the Bank's property portfolio through the physical damage these extreme weather events may inflict and increase the repair/replacement costs associated with damaged assets and property plus the potential loss of business if properties are closed for repair. Direct insurance premium levels may also rise due to increasing damage to property portfolios.
ii) Methods used to manage the risk:
The Bank's Corporate Services Team is responsible for managing the physical impacts across the Bank's property portfolio. The Bank insures its own property and to ensure there are only minimal impacts to its operations in the event of an extreme weather event, the team has business continuity plans in place, which detail the possible mitigation activities and response protocols.
The Bank continues to upgrade its energy and climate change data management systems confirming its robustness and compliance with all relevant environmental legislation. In addition, these systems deliver exception reporting to identify any changes in energy/ emission intensive profiles due to climate change events (e.g. precipitation extremes and droughts). An example of the Bank identifying risk is via its Risks and Issues register. This includes, Risk impact (categorising from insignificant to very high), Likelihood of risk (rare to almost certain), area of risk to the business (e.g. physical property) and mitigation strategy, as well as who is assigned as an 'owner', in confirming the risk mitigation strategy is followed through.
iii) Costs associated with these actions:
Due to extreme weather events being a complete unknown, cost associated with these actions are also unknown. Please note that during the Australian New South Wales and Queensland floods within the reporting period, the Group's Emergency Assistance Packages were rapidly activated to support both retail and business customers, as well as the broader community. The Group's flood and cyclone financial assistance totalled AU$65 million. In addition AU$1 billion was set aside for loans to business and agribusiness customers. No interest was charged for the first three months on new or increased overdraft facilities, and cash donations of AU$2 million to flood relief appeals was extended.

CBA6:
i) Potential financial implications:
The impact on CommInsure (the Bank's life and general insurance business) of increased weather related events would be an increase in claims costs, which is likely to be reflected in increased reinsurance premiums. This could potentially have an impact on gross premiums resulting in insurance being less affordable in some areas. For our Retail and Wholesale Life Insurance business, there is potential exposure to increased life claims should climate change related natural disasters occur. Furthermore, higher life claims could potentially result in higher reinsurance costs and an overall higher price for the customer. The Bank would also experience an increase in operating expenses because of the frequency and severity of weather related events and natural disasters. As an example, CommInsure experienced an increase in total operating expenses from AU$267 million (FY2010) to AU$276 million for this reporting period following a number of extreme weather events.
ii) Methods you are using to manage this risk/opportunity:
Reinsurance arrangements, our risk appetite and product design are continually reviewed in order to meet the changing market in which our business operates to ensure ongoing business sustainability.
To assist in managing all risks arising from climate change, the Bank reviews its Environment Policy on an annual basis. The Environment Policy creates a framework for understanding and managing our direct and indirect environmental impacts, risks and opportunities. The Environment Policy is consistently being embedded throughout relevant business units on an ongoing basis.
iii) Cost associated with these actions:
No cost, these actions are considered business as usual.

5.1e

Please describe your risks that are driven by changes in other climate-related developments

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
CBA7	Reputation	As public concern surrounding climate change increases, the Bank may be under increasing pressure from customers, shareholders, staff, non-governmental organisations (NGO's) and other key stakeholders to demonstrate how it is responding to climate change. Institutional and retail investors increasingly demand banks and other financial institutions to demonstrate their continued commitment to the environment and the communities in which they operate.	Reduced demand for goods/services	Current	Direct	Unlikely	Low

5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

CBA7:
i) Potential financial implications of the risk before taking action:
The reputation of the Bank may be adversely affected if it does not take action on climate change issues nor respond to public concerns. The associated financial risks are consumers not purchasing the Bank's products and services (for example home loans) if it does not have the appropriate policies, procedures and practices embedded within its business. A potential loss of client base would have financial implications for the Bank, however it is not possible to quantify these risks, due to the uncertainty and complexity associated with climate change. As the Bank is a public company listed on the Australian Stock exchange, potential reputational damage may also have an impact on its share price. An area that may incur potential impact is the Bank's home loan business which holds a 25.7 per cent Market Share, valued at AU$2,893 million at 30 June 2011.
ii) Methods used to manage the risk
The Bank actively monitors stakeholder perceptions of its reputation and holds regular strategic reviews to identify reputation related opportunities and risks to its business. As an example, the Bank holds bi monthly Project Steering Group meetings where reputation is discussed. Reputation is addressed by all members of the Steering Group, which include Corporate Sustainability, Corporate Services, Carbon Solutions Group, Procurement and Enterprise Services (IT). The Bank has also continued to increase its communication on environmental matters. Our commitment to disclose material environmental performance to shareholders on our environmental indicators and management of material risks and opportunities is directly addressed within our Environment Policy. Information about how the Bank is addressing climate change issues is available on the Bank's website, in the Bank's Annual Report, in shareholder communications as well as the Bank's standalone annual Sustainability Report. Additionally, these risks are highlighted and addressed at Board level when required.
iii) Costs associated with these actions:
No cost, these actions are considered business as usual.

5.1g

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

5.1h

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

5.1i

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Page: 2012-Investor-Risks&Opps-ClimateChangeOpp

6.1

Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
CBAa	Cap and trade schemes	The recently introduced Clean Energy legislation is the Australian Government's comprehensive plan to address climate change and begin the transition of the country towards a low-carbon economy. This is likely to be a significant economic and environmental reform and have far reaching implications. This presents a number of risks and opportunities for the Bank. A key component of the legislation is to put a price on carbon.	New products/business services	1-5 years	Direct	Very likely	Low

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		The Carbon Pricing Mechanism will introduce an initial fixed carbon price for the first three years commencing on 1 July 2012, and moving to a floating carbon price from 1 July 2015. The introduction of a carbon price mechanism will create a number of carbon hedging and financing opportunities for the Bank and its customers. The Bank has well developed financial products to assist its customers in this area. Another key component of the legislation is the Carbon Farming Initiative which gives farmers, forest growers and landholders access to domestic voluntary and international carbon markets. The Carbon Farming legislation is now operational and should begin to unlock the abatement opportunities in the land sector. The Carbon Farming Initiative will enable the crediting of land sector greenhouse gas abatement by: • Reducing or avoiding emissions, for example, through capture and destruction of methane emissions from landfill or livestock manure; or • Removing carbon from the atmosphere and storing it in soil or trees, for example, by growing plantation forests, or farming in a way that increases soil carbon. These activities will be undertaken as carbon offsets projects. Carbon credits (Australian Carbon Credit Units or 'ACCUs') represent the abatement of greenhouse gases achieved as a result of these offset projects. The Bank has a large Regional and Agricultural client base and the Carbon Farming Initiative may create opportunities for the Bank to assist farmers undertaking Carbon Farming projects. A significant demand driver for Carbon Farming projects will be the ability of ACCUs to be surrendered to meet a liability under the government's carbon pricing mechanism.					

6.1b

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

CBAa:
i) Potential financial implications of the opportunity:
While price increases as a result of the implementation of a carbon pricing mechanism are likely, there will also be a range of business opportunities for the Bank. For example, the Bank has developed and marketed a new range of financial products that will help customers manage carbon risk, trade in carbon credits, and take advantage of the business opportunities in the new and restructured low carbon economy. These products have created additional revenue streams for the Bank, but in the overall context of the Bank's revenue, these additional revenue streams are considered minor. The greater revenue stream will become clearer as the Australian Carbon Pricing Mechanism unfolds from 1 July 2012. Revenue will eventuate from the current client visits the Bank is undertaking with the top 40 companies which have carbon liabilities under this new legislation, which cover a wide range of emissions-intensive industries with a total emissions profile of over 250 million tonnes of CO_2 (over 70 per cent of Australia's covered emissions).
ii) Methods used to manage opportunity:
For our Australian based clients that will be directly impacted by a carbon pricing mechanism the Bank is leveraging its extensive client relationships, financing and global markets capabilities to develop a range of tailored carbon hedging and carbon financing solutions. The Bank will offer clients the flexibility to use the Australian or International permits market to hedge their carbon price risk. The Bank's financing solutions will enable clients to trade existing permits or fund investments in energy efficient technologies, renewable energy or bio-sequestration projects. In this way, the Bank will give its clients access to the full spectrum of services that will not only assist them in managing risks, but importantly take advantage of the opportunities in a new low carbon economy. The Bank has been pro-actively marketing its capabilities to key target institutional clients and has developed a comprehensive range of innovative risk management and financing solutions to help our institutional clients manage their risks and finance opportunities across the carbon and renewable energy markets.
iii) Costs associated with these actions:
No cost, these actions are considered business as usual in business expansion.

6.1c

Please describe the opportunities that are driven by changes in physical climate parameters

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
CBAb	Other physical climate opportunities	The high media coverage of weather catastrophes and potential links to climate change is increasing public awareness of the risks to their property.	Increased demand for existing products/services	Current	Direct	Likely	Low
CBAc	Change in precipitation pattern	The physical impacts of climate change will create some initial indirect opportunities for the Bank. The Bank has a large Regional and Agriculture Business customer base.	New products/business services	Current	Direct	Likely	Low

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		These customers may become more adversely affected by the physical impacts of climate change than other sectors due to their concentration in regional and remote areas of Australia. This creates the opportunity for the Bank to provide specialised services to these customers assisting them in managing the impacts of climate change on their business. The Bank also understands that as households adapt to changing climate conditions, it has an opportunity to provide specialised retail products and services to support adaptation, for example loans for rainwater tanks and PV solar panel installs. The Bank successfully piloted an exclusive offer from one of Australia's largest builders to install a residential solar electricity system, where the price of the system was added to the customer's home loan.					

6.1d

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

CBAb:
i) Potential financial implications of the opportunity:
Potential for new customers and increased revenue.
ii) Methods to manage the opportunity:
Monitoring of exposure to accumulations of exposure in geographic areas likely to be adversely affected by climate change.
iii) Associated costs:
No cost, these actions are considered business as usual.
CBAc:
i) Potential financial implications of the opportunity:
Providing specialised services to customers, and assisting them in managing the impacts of climate change on their business is likely to result in strengthening existing customer relationships, and potentially attract additional clients. This will have a positive financial impact on the Bank. An example of recent positive financial impacts associated with this opportunity is the Bank's Regional and Agriculture business total income increase (8 per cent on the previous reporting year to AU$426 million (FY2010 - AU$394 million)).
ii) Methods you are using to manage this opportunity:
The Bank will leverage its extensive client relationships, financing and global market capabilities through its Regional and Agriculture business teams and its Carbon

Solutions Group. Through the Bank's specialised Agriculture Solutions team, the business continues to focus on identifying and delivering innovative solutions to customers with more complex needs.
iii) Associated costs:
No cost, these actions are considered business as usual.

6.1e

Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
CBAd	Other drivers	Communication and Awareness: The Bank has used the public interest generated by the climate change agenda as a vehicle for communicating its proactive approach to carbon management and wider sustainability initiatives both internally and externally. A key example of this is the release of the Bank's third annual Sustainability Report (during this reporting period of 2010-11), which communicates the Bank's climate change initiatives and carbon emissions data, as well as the Bank's activities and achievements in a number of focus areas which stems from its foundations of Customers, People, Community and Governance. The balanced and transparent disclosure of sustainability risks, opportunities and performance data provides valuable information to investors and other key stakeholders, who wish to include environmental, social and governance (ESG) criteria in their assessment of the Bank. Publication of the Sustainability Report also contributes positively to the Bank's reputation, because of the increased disclosure, and by highlighting to customers, shareholders, staff and the wider community the many sustainable initiatives being undertaken.	Wider social benefits	Current	Direct	Very likely	Medium

6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

CBAd:
i) Potential financial implications of the opportunity:

The Bank continues to actively develop and improve its annual and standalone Sustainability Report by engaging both internal and external stakeholders, collating and verifying data and narrative. The Bank also contracted the external expertise of KPMG - a leading provider of audit, tax and advisory services, to provide an independent review (limited assurance of the reports metrics and emissions data). By openly communicating with stakeholders about our environmental performance, this report contributes to strengthening the breadth and depth of our customer relationships, which results in positive financial growth Please note that the Bank's final dividend of AU$1.88 per share was declared at the end of this reporting period (FY2011), an increase of 11 per cent on the previous year.
ii) Methods to manage the opportunity:
The Bank has a dedicated Corporate Sustainability team that, amongst other responsibilities, manages the Bank's annual Sustainability Report. The Bank engages in many forms of internal and external communications, from legislative reporting, to voluntary reporting, as well as specific internal communications and external surveys. The Bank has been monitoring and disclosing climate change related information since 2001 and is therefore well positioned to communicate and raise the awareness of climate change related material. The Corporate Sustainability team actively engages all appropriate business units throughout the organisation, including Bankwest and Colonial First State Global Asset Management, so as to report a transparent, robust and balanced level of disclosure to all of the Bank's internal and external clients and the general community.
iii) Associated costs:
No cost, the actions of developing the Bank's third annual standalone Sustainability report is considered business as usual.

6.1g

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

6.1h

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

6.1i

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Tue 01 Jul 2008 - Tue 30 Jun 2009	17038	241332

7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
Australia - National Greenhouse and Energy Reporting Act
ISO 14064-1
New Zealand - Guidance for Voluntary, Corporate Greenhouse Gas Reporting
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Other

7.2a

If you have selected "Other", please provide details below

Australia: National Greenhouse Accounts – July 2010

7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)
HFCs	IPCC Second Assessment Report (SAR - 100 year)

7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

Fuel/Material/Energy	Emission Factor	Unit	Reference

Further Information

Please note that the Commonwealth Bank of Australia has attached the emissions factors used and applied as per question 7.4 of the 2012 Carbon Disclosure Project submission.

Attachments

https://www.cdproject.net/Sites/2012/49/3649/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/7.EmissionsMethodology/Question7 4 emissions factors applied.XLSX

Page: 8. Emissions Data - (1 Jul 2010 - 30 Jun 2011)

8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

8.2a

Please provide your gross global Scope 1 emissions figure in metric tonnes CO2e

13289

8.2b

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e - Part 1 breakdown

Boundary	Gross global Scope 1 emissions (metric tonnes CO2e)	Comment

8.2c

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e - Part 1 Total

Gross global Scope 1 emissions (metric tonnes CO2e) – Part 1 Total	Comment

8.2d

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e - Part 2

Boundary	Gross global Scope 1 emissions (metric tonnes CO2e)	Comment

8.3a

Please provide your gross global Scope 2 emissions figure in metric tonnes CO2e

220179

8.3b

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 1 breakdown

Boundary	Gross global Scope 2 emissions (metric tonnes CO2e)	Comment

8.3c

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 1 Total

Gross global Scope 2 emissions (metric tonnes CO2e) - Total Part 1	Comment

8.3d

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 2

Boundary	Gross global Scope 2 emissions (metric tonnes CO2e) - Other operationally controlled entities, activities or facilities	Comment

8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

8.4a

Please complete the table

Reporting Entity	Source	Scope	Explain why the source is excluded

8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

Yes

8.4a

Please complete the table

Source	Scope	Explain why the source is excluded
Refrigerants for Australian operations.	Scope 1	Under the Australian National Greenhouse and Energy (NGER) Reporting Act, CBA and Bankwest are not required to report refrigerants as they are not in an industry sector which is required to report this emission source.
Commercial and retail properties owned by the Commonwealth Property Office Fund and Retail Property Trust managed by Colonial First State Global Asset Management.	Scope 1 and 2	Although the Commonwealth Property Office Fund and Retail Property Trust are managed by Colonial First State Global Asset Management and are under the Bank's operational control, both entities report independent submissions to the Carbon Disclosure Project. Therefore, to avoid double counting, their emissions have been excluded from this Carbon Disclosure Project submission.
Asia Pacific business operations.	Scope 1 and 2	The Bank has a small number of offices, branches and automatic teller machines in countries in the Asia Pacific region in addition to Australia and New Zealand. Emissions and energy use associated with these operations are minimal in relation to the Bank's overall emissions profile and access to emissions and energy data from these operations is also limited and unreliable. For these reasons, data from these operations has been excluded. However, this does not have a material impact on the overall emissions profile of the Bank.
New Zealand financial year data	Scope 1 and 2	New Zealand data is included, but based on the 2010 Calendar year data rather than financial year. This data still represents a complete 12 month period and used in this submission as it is consistent with New Zealand reporting and target tracking.

8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and Scope 2 figures that you have supplied and specify the sources of uncertainty in your data gathering, handling, and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 2% but less than or equal to 5%	Assumptions Extrapolation Metering/ Measurement Constraints	The Bank has robust data collection processes for all sources of emissions and therefore uncertainty is minimal for the sources identified. The Bank's energy data is acquired primarily from invoices with	Less than or equal to 2%	Assumptions Extrapolation Metering/ Measurement Constraints	This result shows an improvement in the Bank's data management as uncertainty has dropped to below 2% when compared with the 2%-5% range last year. The Bank has minimal uncertainty in its Scope 2 electricity

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
	Data Management	limited uncertainty (which is outside the Bank's control). A small proportion of energy data is obtained from meters for which uncertainty is minimised by the Bank's or third party meter maintenance practices. Metering and measurement constraints under the responsibility of third parties (e.g. suppliers who provide invoice based data) and published emission factors are outside the control of the Bank. These sources of uncertainty are minimal as they represent the best available information and are constantly being monitored and updated. Invoice based consumption data is uploaded into CarbonScopeTM (the Bank's energy and greenhouse gas management software) together with costs, tariffs and consumption periods to facilitate data validation. Data gaps in are identified and rectified, either with actual data or by extrapolating existing data based on historical and seasonal data and estimations. The Bank captures data for all of its emission sources and therefore extrapolation is only ever conducted to fill data gaps, not to estimate complete emission sources. The Bank calculated its Scope 1 uncertainty for the purposes of National Greenhouse and Energy Reporting (NGER) using the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (the Determination). The methodology uses default uncertainty factors for published emissions factors and additional factors for activity data, the method by which the data was derived and		Data Management	data due to its robust data management processes. The Bank uses energy and greenhouse gas management software, CarbonScopeTM to upload all invoice consumption data together with costs, tariff and consumption periods for additional validation. The system identifies any data gaps and then these are rectified using actual, historical and or seasonal data and estimates. For some minor retail branches and ATM sites for which data is not available, data is estimated based on Net Lettable Area, extrapolating seasonal data from similar sites. Outside the Bank's control there is inherent uncertainty in published emissions factors and in the electricity meter data upon which invoices from electricity retailers are based. Scope 2 uncertainty has been calculated using the methodology in the Australian National Greenhouse and Energy Reporting (NGER) Scheme even though it does not provide uncertainty factors for scope 2 emissions. The National Electricity Market (NEM) Rules relating to metering require meters to have an overall error of not more than ± 1.5% (NEM Rules, Version 34, Schedule 7.2.2), therefore, this figure was applied to the percentage of data sourced from invoices from the Bank's Australian operations. The NGER Criterion BBB (simplified consumption measurement) uncertainty percentage was applied to the small amount of electricity data that was estimated or extrapolated. A weighted uncertainty average was then determined. It

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
		energy content factors used.			is noted that New Zealand data is not included in this calculation due to limitations in obtaining percentage of estimated data.

8.6

Please indicate the verification/assurance status that applies to your Scope 1 emissions

Verification or assurance complete

8.6a

Please indicate the proportion of your Scope 1 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.6b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Limited assurance	ISAE 3000	The Bank's verification (Independent Review Report) represents the reporting period of 1

Level of verification or assurance	Relevant verification standard	Relevant statement attached
		June 2010 to 30 June 2011 of the Bank’s 2011 Sustainability Report.

8.7

Please indicate the verification/assurance status that applies to your Scope 2 emissions

Verification or assurance complete

8.7a

Please indicate the proportion of your Scope 2 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.7b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Limited assurance	ISAE 3000	The Bank's verification (Independent Review Report) represents the reporting period of 1 June 2010 to 30 June 2011 of the Bank’s 2011 Sustainability Report.

8.8

Are carbon dioxide emissions from the combustion of biologically sequestered carbon (i.e. carbon dioxide emissions from burning biomass/biofuels) relevant to your company?

No

8.8a

Please provide the emissions in metric tonnes CO2e

Further Information

Please find attached the Commonwealth Bank's 2011 limited assurance document performed by KPMG, relevant to questions 8.6 and 8.7.

Attachments

https://www.cdproject.net/Sites/2012/49/3649/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/8.EmissionsData(1Jul2010-30Jun2011)/2011 Independent Limited Assurance Report.pdf

Page: 9. Scope 1 Emissions Breakdown - (1 Jul 2010 - 30 Jun 2011)

9.1

Do you have Scope 1 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

9.1a

Please complete the table below

Country	Scope 1 metric tonnes CO2e
Other: Australia - Australian Capital Territory	457
Other: Australia - New South Wales	5102
Other: Australia – Northern Territory	38
Other: Australia - Queensland	1437
Other: South Australia - South Australia	788
Other: Australia - Tasmania	156
Other: Australia – Victoria	4143
Other: Australia – Western Australia	921
New Zealand	246

9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

9.2a

Please break down your total gross global Scope 1 emissions by business division

Business Division	Scope 1 metric tonnes CO2e

9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 metric tonnes CO2e

9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 metric tonnes CO2e

9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 metric tonnes CO2e

Page: 10. Scope 2 Emissions Breakdown - (1 Jul 2010 - 30 Jun 2011)

10.1

Do you have Scope 2 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

10.1a

Please complete the table below

Country	Scope 2 metric tonnes CO2e
Other: Australia – Australian Capital Territory	4610
Other: Australia – New South Wales	97657
Other: Australia – Northern Territory	532

Country	Scope 2 metric tonnes CO2e
Other: Australia - Queensland	23689
Other: Australia – South Australia	8394
Other: Australia - Tasmania	1188
Other: Australia – Victoria	45529
Other: Australia – Western Australia	34000
New Zealand	4579

10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 metric tonnes CO2e

10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 metric tonnes CO2e

10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 metric tonnes CO2e

Page: 11. Emissions Scope 2 Contractual

11.1

Do you consider that the grid average factors used to report Scope 2 emissions in Question 8.3 reflect the contractual arrangements you have with electricity suppliers?

Yes

11.1a

You may report a total contractual Scope 2 figure in response to this question. Please provide your total global contractual Scope 2 GHG emissions figure in metric tonnes CO2e

11.1b

Explain the basis of the alternative figure (see guidance)

11.2

Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

No

11.2a

Please provide details including the number and type of certificates

Type of certificate	Number of certificates	Comments

Page: 12. Energy

12.1

What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

12.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has consumed during the reporting year

Energy type	MWh
Fuel	55143
Electricity	263678
Heat	0
Steam	0
Cooling	0

12.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	17095
Motor gasoline	32704
Diesel/Gas oil	4718
Liquefied petroleum gas (LPG)	113
Biodiesels	0
Biogasoline	512

Page: 13. Emissions Performance

13.1

How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

13.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	.81	Decrease	The Bank's Targets Program: During the reporting period, the Bank commenced a number of emissions reduction activities to achieve its target of 20% reduction in emissions by 2013. The initiatives, which are outlined in detail in the response to Question 3.3a include: • Commercial Building Consolidation (Sydney) • Green Refresh Lighting • Green Refresh Heating, Ventilation and Air Conditioning (HVAC) The figures indicate that the savings made from the implementation of these initiatives during the reporting period have made a significant contribution to the Bank's overall emissions decrease, despite business growth including an increase in the area of occupied space, FTEs and revenue. It should be noted that a total reduction of 6,138 tonnes Co2-e was achieved as compared to the previous reporting period.
Emissions	.45	Decrease	New Zealand Targets Program: The Bank's New Zealand operations all fall within the boundary of the New

Reason	Emissions value (percentage)	Direction of change	Comment
reduction activities			Zealand entity, Auckland Savings Bank Ltd (ASB). Since the previous reporting period, ASB Bank Ltd has reduced its emissions by 1,122 tonnes of Scope 1 and 2 emissions from the previous reporting period. These savings represent 0.45% of the total emissions reported by CBA under the Carbon Disclosure Project. However, when considered in relation to New Zealand's performance, these reduction activities are significant, representing 23% of New Zealand Scope 1 and 2 emissions. Emissions reductions can be directly attributed to the range of emission reduction initiatives being implemented by ASB Bank Ltd, including: • Save Watt Energy Program including: Lighting and air conditioning upgrades in offices and branches: The 2011 results show ASB's 'Save Watt' energy programme has achieved a 23 % reduction in energy use since 2008 and a saving of 6.76 GWh, or $850,000 per annum in energy costs. • Automated overnight PC shutdown across ASB. • Sustainable design of ASB's new head office 'ASB North Wharf.' • Free Cooling of ASB's data centres. • Server Virtualisation. • Encouraging its people to use video and phone conferencing technology instead of air or vehicle travel. • A waste reduction and recycling program. • Reducing the amount of paper used internally and on behalf of customers. • Online Energy Management Tool 'Energy Tracker'.
Unidentified	5.99	Decrease	This figure represents the residual emissions change, across the Bank and Colonial First State Global Asset Management, that is otherwise accounted for above.

13.2

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
9.1	metric tonnes CO2e	unit total revenue	1.6	Decrease	Since the last reporting period, the Bank has increased its revenue. Despite this growth, emissions have decreased over the same period, therefore emissions intensity has also decreased. A decrease in emissions intensity demonstrates that the Bank is performing more carbon efficiently, which can be attributed to the implementation of emissions reduction activities under the carbon reduction targets program.

13.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
4.49	metric tonnes CO2e	FTE Employee	17.5	Decrease	Since the last reporting period, the Bank has increased its Full Time Employee (FTE) figure, however during this same period the Bank has decreased its emissions through energy efficiency activities that are directly attributable to the Bank's carbon reduction target program.

13.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
.18	metric tonnes CO2e	square meter	15.2	Decrease	Since the last reporting period, the Bank has decreased its property portfolio by 0.4%. Emissions intensity has also decreased on an area (m2) basis, demonstrating that the Bank is performing more efficiently. This can be attributed to the implementation of emissions reduction activities under the carbon reduction targets program, including and most pertinently, the building consolidation, via the Bank's newly completed Commonwealth Bank Place, a 6 Star Green Star (signifying world leadership) and 5 Star NABERS (National Australian Built Environment Rating System).

Page: 14. Emissions Trading

14.1

Do you participate in any emission trading schemes?

No, but we anticipate doing so in the next two years

14.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership

14.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

The recently introduced Clean Energy legislation is the Australian Government’s comprehensive plan to address climate change and begin the transition of the country towards a low-carbon economy. This is likely to be a significant economic and environmental reform with far reaching implications. This presents a number of risks and opportunities for corporate Australia and the Bank. A key component of the legislation is to put a price on carbon. The Carbon Pricing Mechanism will introduce an initial fixed carbon price for the first three years commencing on 1 July 2012, and moving to a floating carbon price from 1 July 2015.

The Bank is unlikely to have a compliance requirement under the government’s proposed carbon pricing mechanism. However, as the carbon pricing mechanism transitions to a market based cap-and-trade emissions trading scheme, the Bank is likely to participate by providing a range of carbon hedging and carbon financing solutions for our clients. Carbon compliance obligations may affect a client’s ability to service loans, or impact on the client’s asset valuations and loan covenants.

A major component of the Bank's strategy to mitigate its exposure to this risk is where we are working closely with our clients (top 40 companies with carbon liabilities under the scheme with a combined emittence of 250 million tonnes Co2-e p.a.) to assist them with the management of their exposure and carbon risk. The Bank is also in the process of reviewing how our clients’ credit positions will be impacted across both the Bank’s existing portfolio and new business underwritten.

14.2

Has your company originated any project-based carbon credits or purchased any within the reporting period?

Yes

14.2a

Please complete the following table

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits retired	Purpose e.g. compliance
Credit Origination	Energy efficiency: industry	Branch and Office energy efficiency works program	Other: NSW Energy Saving Scheme (ESS)	1214	1214	Not relevant	Not applicable

Page: 2012-Investor-Scope 3 Emissions

15.1

Please provide data on sources of Scope 3 emissions that are relevant to your organization

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
Upstream transportation & distribution	35607	These emissions relate to indirect emissions of the Bank's Australian and New Zealand scope 1 and 2 emissions, attributable to the extraction, production and transportation of fuels and for electricity and the electricity lost in the transmission and distribution network. For each fuel type, emissions have been calculated by multiplying the total quantity of fuel consumed, by the relevant emissions factor from the Australian National Greenhouse Accounts (NGA) Factors, July 2011 (Australian data) and the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year (New Zealand Data). A list of the relevant emissions factors are supplied in the Excel document provided in question 7.4 and below relating to this question 15.1. Emissions are then added together to provide total scope 3 emissions for this category for Australia and New Zealand.	

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
Business travel	44859	These emissions relate to air travel undertaken by CBA, CFS and Bankwest and its New Zealand operations, ASB Bank Ltd. The Bank's travel suppliers, AMEX provide the Bank with data from their Cliqbook System, for the reporting period, on the number of flights and flight miles. For New Zealand, data is obtained from the General Ledger. For Australia, total emissions are calculated as the sum of ground emissions and flight emissions. Ground emissions are calculated by the total number of legs flown, multiplied by a ground emissions factor which remains the proprietary information of Energetics as it is calculated from working with a number of airlines. Inflight emissions are calculated as the total number of flight miles, converted to nautical miles and multiplied by 0.129 kg CO2-e/passenger/km (2005 National Greenhouse Gas Inventory (published 2008)) and an upper radiative forcing factor of 2 (IPCC) to account for the multiplier effect of emitting emissions at high altitude. For New Zealand, flight data is categorised as domestic, international short-haul and international long-haul and flight miles for each are multiplied by the relevant factor from the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year (Domestic 0.1728 kgCO2-e/km, International Short-Haul 0.0946 kgCO2-e/km and International Long-Haul 0.0827 kgCO2-e/km). Total emissions include the sum of Australia and New Zealand emissions.	
Business travel	5338	These emissions relate to the Bank's Australian and New Zealand Taxi use and New Zealand hire car and taxi use. For Australian taxi data, total taxi spend was obtained from the General Ledger. A cost per km factor of $1.67/km was applied to determine total km travelled and then a factor of 0.176 L of LPG/km applied. For New Zealand data emission factors for taxis were applied from the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year (0.124 kg of CO2-e/$ spent). For all New Zealand hired, leased and third party vehicle car use, the emissions factor for medium car (0.231 kg CO2-e/km) was applied from the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year based on distance travelled data provided by log books and hire car suppliers.	Australian leased and hire car use is included in its scope 1 emissions and is therefore excluded from these calculations.
Waste generated in operations	4912	The waste emissions provided represent both The Bank's (Australia) and its New Zealand operations under ASB Bank Ltd. In the previous	The emissions calculated exclude Colonial First State Global Asset Management and Bankwest (consistent

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
		reporting year, the Bank engaged external waste experts, Waste Audit, to audit a representative sample of 8 of commercial and 15 retail sites across Australia. The results of the waste audit provided a breakdown of the composition of general waste by weight, volume and percentages and provided waste indicators as kg/FTE/day and kg/m2/day. Due to the differences in waste indicators and general waste composition between retail and commercial sites, emissions for retail and commercial were calculated separately. For each, the percentage composition of a particular waste type was applied to the relevant kg/FTE/day, annualised and extrapolated to a whole of business figure based on total number of FTEs. The relevant emissions factor from the Australian National Greenhouse Accounts (NGA) Factors, July 2011 for each waste type (organic, paper/cardboard, inert, general waste) was then applied. Emissions factors are outlined in detail in the Excel spread sheet attached to question 7.4 and below for question 15.1. No waste audits were conducted during the reporting period and therefore the previous reporting period's waste indicators have been applied to this year's number of FTE. The Bank considers this to be a conservative approach as during the reporting period a number of waste reduction initiatives have been implemented in addition to moving to buildings with best practice waste management. For New Zealand, monitored waste data was also annualised and extrapolated for New Zealand operations based on a kg/FTE figure. A general waste emissions factor of 0.893 kg of CO2-e/kg from the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year.	with last year).
Purchased goods & services	440	These emissions relate to the New Zealand ASB Bank Ltd's postage, courier and Data-mail supplier emissions. Postage emissions were calculated based on the number of packages posted multiplied by the New Zealand postage emissions factor 0.01 grams of CO2-e/letter. Where data was not complete for all New Zealand operations, it was extrapolated. Courier emissions have been calculated by data provided by courier companies on distance travelled by car and by air travel. The emissions factors from the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year were applied for a medium car (0.231 kg CO2-e/km) was applied to courier car travel and 0.601 kg CO2-e/km for long distance	New Zealand postage and courier emissions are estimated to represent approximately 12%of the Bank's overall postage and courier emissions. In the absence of data for Australia, New Zealand data was not extrapolated due to the differences in emissions factors and limited Australian data.

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
		travel. Data-mail provides electronic mailing services to ASB Ltd. Energy consumption data was provided by Data-mail and emissions were calculated using the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year scope 2 emissions factor of 0.2 kg CO2-e/kWh.	
Purchased goods & services	2631	These emissions relate to the embodied emissions in paper purchased by the Bank and Bankwest. Purchasing records for the reporting period were provided by the Bank's paper supplier outlining boxes of paper purchased by paper type. The number of sheets of paper was then calculated using known numbers of reams per box and sheets per ream or sheets per packet. An average weight of 5 grams per sheet (equivalent to 2.5kg per ream) was then applied to calculate the total tonnage of paper purchased in the reporting period. As the Bank bought a mixture of recycled and non-recycled paper, the conservative emissions factor for recycled paper of 1.91 tonnes of CO2-e/tonne of paper was applied (virgin paper has lower embodied emissions), obtained from the Victorian EPA. From the beginning of FY2012, the Bank has begun purchasing carbon neutral paper and indigenous Nallawilli products which will be reflected in a large emissions drop for this emissions source in the next reporting period. Additionally, in FY2012 there has been paper reductions of 51% for the employee teams that have moved offices to the sustainable and more efficient Commonwealth Place Building. Paper printed per person that moved offices was tracked and indicated a real reduction of 6 million sheets of paper.	Paper purchasing records were not able to be obtained for Colonial First State Global Asset Management or New Zealand operations. The Bank continues to work with suppliers to obtain more accurate data.
Purchased goods & services	44357	The Bank uses third party data centres which fall outside its operational control. Its two major data centres are located in Norwest and Burwood NSW. Since last year's CDP, The Bank has improved its data collection practices with third party suppliers and has obtained electricity usage data for both Norwest and Burwood data centres (rather than only Norwest). The full-fuel cycle emissions factor for electricity in NSW was applied to the energy use data to account for the suppliers emissions (1.06 kg CO2-e/kWh) to determine scope 3 emissions for outsourced data centres.	

15.2

Please indicate the verification/assurance status that applies to your Scope 3 emissions

Verification or assurance complete

15.2a

Please indicate the proportion of your Scope 3 emissions that are verified/assured

More than 90% but less than or equal to 100%

15.2b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Limited assurance	ISAE 3000	The Bank's verification (Independent Review Report) represents the reporting period of 1 July 2010 to 30 June 2011 of the Bank’s 2011 Sustainability Report. The Scope 3 emissions that have been verified are those associated with the Bank's business travel (air travel). This Scope 3 emission source is the extent of the Banks Scope 3 reportable emissions within the Bank's annual Sustainability Report. Therefore the Limited Assurance completed, relates to 100% of this emissions source.

15.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

15.3a

Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Upstream transportation & distribution	Emissions reduction activities	8	Decrease	These emission reductions can be directly attributed to both the Australian and New Zealand Targets Program emission reduction activities. New Zealand exceeded its 20% reduction target early while Australia made significant savings as a result of moving to more energy efficient buildings. The Bank has also worked on energy efficiency initiatives including a lighting upgrade at a Newcastle call centre which resulted in a energy reduction of 17%. We have also made major changes to our tool-of-trade vehicles including use of E10 fuel, replacing 6 cylinder vehicles with 4 cylinder vehicles and implementing compulsory driver education programs including how to reduce fuel use, which has resulted in a reduction of 8% emissions in the reporting period.
Purchased goods & services	Emissions reduction activities	13	Decrease	These emissions reductions are a direct result of the Bank's policy to reduce environmental impacts (including carbon emissions and waste) by supplying Bank statements and other Bank documentation to customers instead of paper documents sent by mail. In last year's CDP response, the Bank reported avoided postal emissions due to the provision of online bank statements (rather than all online documentation) and did not include avoided emissions due to reduced paper consumption. Since the last reporting period, the Bank has collected more robust data for both the previous and current reporting period, indicating that a broader range of documents is provided online than was reported last year. Additionally, the avoided emissions calculations have been extended to include avoided emissions from avoided paper consumption. Based on like for like calculations, the avoided emissions for the previous reporting period (including avoided postal emissions and paper production emissions) is 142 tonnes CO2-e and 159 tonnes CO2-e respectfully. This represents a 13% decrease in emissions.
Investments	Emissions reduction activities		Decrease	The Bank is a senior investor in renewable energy projects in Australia and New Zealand generating 17,400 MW per year. In the reporting period, Australian operations increased its investment by 4,000MW up to 11,000MW (7,000 MW in the previous reporting period). The Banks loan facilities to renewable energy companies representing 59% (Australia and New

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
				Zealand) of total energy exposure. A total emissions value has not been calculated as it requires knowledge of actual energy generation data for the reporting period, for each renewable investment. This data was not readily available for this reporting period.
Purchased goods & services	Change in methodology	12	Decrease	The Bank's emissions from outsourced Hewlett Packard data centres have decreased since the last reporting period. This can be attributed to improvement in the accuracy of this year's data. Last year, actual energy use data was only available for one of the major data centres, which was assumed to represent 35% of data centre energy use and figures were extrapolated on this basis. This year, actual data from both data centres was available showing that each data centre represented approximately 50% of energy used in data centres (rather than 35%). Due to this, this year's actual data shows a decrease from last year's reported figure. However, if actual data from the Burwood data centre (available for both reporting periods) is compared year on year, it shows an increase in emissions by approximately 6,000 tonnes CO2-e. The increase in emissions at Norwest can be attributed to both business growth and the Bank moving towards a more virtualised business, decreasing office and customer paper consumption (for environmental benefits). The Bank outsources to Hewlett Packard who is a leader in sustainability in the Information Technology industry and has an Energy and Sustainability Management Program to monitor, report and reduce carbon emissions in data centres and across its supply chain. HP is also undertaking energy efficiency measures in a number of data centres. These measures will continue to minimise the impacts of the Bank's growth and shift towards virtualisation.
Waste generated in operations	Change in output	5	Increase	This increase is directly attributed to the basis of calculations which are based on last year's waste metrics with this year's FTE numbers, which have increased in line with business growth. However, this is a conservative figure as the Bank has been undertaking extensive waste management improvements and staff education during the reporting period. Results at Commonwealth Bank Place show a decrease of over 50% in paper use with over 80% of waste anticipated to be recycled and diverted from landfill due to waste management policies and staff education.
Purchased goods & services	Change in output	52	Increase	These emissions relate to New Zealand operation's courier emissions. These have increased due to organic growth in business.
Business travel	Change in output	27	Increase	The Bank's taxi and hire car emissions have increased again due to business growth. The Bank recognises this as an area for improvement and continues to increase video conferencing facilities and staff engagement initiatives to reduce both taxi and hire car travel. At our new offices at Commonwealth Bank Place, which has a 6 Star Green Star Rating, (signifying world leadership) employees have Macbook Air laptops with built in web cams for video calls. We anticipate a decrease in travel emissions for the next reporting period.

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Unidentified	104	Increase	The Bank has undertaken greater air travel due to organic business growth. The Bank recognises this as an area for improvement and continues to increase video conferencing facilities and staff engagement initiatives to reduce air travel. At our new offices, Commonwealth Bank Place, which has a 6 Star Green Star Rating, (signifying World leadership) employees have Macbook Air laptops with built in web cams to encourage video calls.

Further Information

Attachment 1: Please find attached the Commonwealth Bank's 2011 limited assurance document performed by KPMG, relevant to question 15.2b
Attachment 2: Please find attached the emissions factors applied by the Commonwealth Bank of Australia, relevant to question 15.1

Attachments

https://www.cdproject.net/Sites/2012/49/3649/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/15.Scope3Emissions/2011 Independent Limited Assurance Report.pdf
https://www.cdproject.net/Sites/2012/49/3649/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/15.Scope3Emissions/Question 15 emissions factors applied.XLSX

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Please enter the name of the individual that has signed off (approved) the response and their job title

Tristan Landers: Executive General Manager Corporate Sustainability